

**Enclosure 7-B**  
**Estimate of Upper Payment Limit for Non-State Government-Owned Facilities**  
**(Based on Weighted Average Medi-Cal Rate, Weighted by Total Annualized Medi-Cal Days for Non-State Government-Owned Facilities)**

***Estimated Maximum Medi-Cal Payments Under AB1629 Methodology***

Weighted Average Medi-Cal Rate (COLA-Adjusted 04/05)	\$ 122.01
Add: Eight Percent Cap per AB 1629	1.08
FY 2005/06 Maximum Weighted Average Rate	<u>\$ 131.77</u>
Add: Quality Assurance Fee <sup>(1)</sup>	-
Subtotal	<u>\$ 131.77</u>
Total Paid Medi-Cal Days	67,130
Total Estimated Medi-Cal Payments in 2005/06	<u>\$ 8,845,774</u>
Add: Ancillary Claims for Non-State Government-Owned Facilities	
Pharmacy	\$ 994,737
Therapies	-
Laboratory/Radiology	<u>3,450</u>
<b>Total Estimated Medi-Cal Payments Including Ancillary Costs</b>	<b><u>\$ 9,843,961</u></b>

***Estimated Medicare Payments for Medi-Cal Residents Under SNF PPS Methodology***

Total Estimated Medicare Payments Resulting from RUGs <sup>(2)</sup>	<u>\$ 5,395,618</u>
Weighted Average RUGs rate for Non-State Government-Owned Facilities	\$ 186.46
Total "Unmatched" Days in RUGs Methodology <sup>(3)</sup>	<u>38,193</u>
Subtotal - Weighted Average Rate Applied to Days	<u>\$ 7,121,467</u>
<b>Total Estimated Medicare Payments for Non-State Government-Owned Facility Residents</b>	<b><u>\$ 12,517,085</u></b>

<b>Difference between Estimated Medi-Cal Payments Under AB1629 Methodology and Estimated Medicare Payments for Medi-Cal Beneficiaries Under SNF PPS Methodology</b>	<b><u>\$ (2,673,124)</u></b>
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Notes:

- (1) Non-state owned governmental facilities are excluded from the Quality Assurance Fee.
- (2) SNF PPS case-mix adjusted Federal rates for urban and rural SNFs obtained from Tables 6 and 7 of the Federal Register dated July 30, 2004. Wage index information obtained from Table 8 of the Federal Register dated December 30, 2004. Federal Register information used to estimate Medicare PPS payments is effective October 1, 2004 - September 30, 2005.
- (3) The technical process of linking MDS assessment data to OSHPD cost report data to paid claims data resulted in paid claims days for beneficiaries that cannot be reconciled to a specific facility. In these cases, "unmatched" days are assigned the UPL group weighted average RUG payment rate.